

BLANK ROME LLP
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: 212-885-5000
Facsimile: 212-885-5001
Andrew B. Eckstein

Attorneys for Delaware River Port Authority

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : Chapter 11 Case No.
: :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
: :
Debtors : (Jointly Administered)
-----X

**OPPOSITION BY DELAWARE RIVER PORT AUTHORITY
TO THE DEBTORS' TWO HUNDRED NINETY-FIRST OMNIBUS OBJECTION
TO CLAIMS (NO LIABILITY DERIVATIVES CLAIMS)**

Delaware River Port Authority ("DRPA"), by and through its counsel of record, hereby files this opposition to the Debtors' Two Hundred Ninety-First Omnibus Objection (the "Omnibus Objection") to the extent that it seeks to disallow and expunge claim number 24073 (Claim 24073, the "Claim") of DRPA, on the claim that it provides no basis of liability as to the Debtors' Chapter 11 Estates (as defined in the Omnibus Objection) and the Chapter 11 Estates do not owe any amount to DRPA based on such Claim.

1. Pursuant to Court order (the "Bar Date Order"), several bar dates were established in these cases, including a July 2, 2009 bar date (the "Bar Date") for filing proofs of claim and supporting documentation for claims based on Derivatives Contracts (as defined in the Bar Date Order).

2. As the Debtors' Notice of Hearing on Two Hundred Ninety-First Omnibus Objection to Claims (No Liability Derivatives Claims) (the "Notice of Hearing") acknowledges, DRPA filed a timely claim by the Bar Date asserting an undetermined amount arising out of certain Derivative Contracts.

3. The Claim arises from a certain Reserve Fund Agreement dated as of December 27, 2001 between and among Lehman Brothers Special Financing, Inc. ("Lehman"), DRPA, Commerce Bank, National Association (now known as TD Bank, National Association), as Trustee (the "Agreement"). The Agreement relates to the DRPA's Port District Project Refunding Bonds, Series A of 2001 and Port District Project Refunding Bonds, Series B of 2001. The Agreement specifically related to the sum of \$13,570,800 (the "Amount") on deposit under the Trust Indenture pursuant to which the Bonds were issued, constituting the Debt Service Reserve Fund (the "DSRF") for the Bonds.

4. Pursuant to the Agreement, Lehman made an upfront payment to the DRPA in the amount of \$1,150,000 and agreed on each semi-annual bond payment date, in exchange for the delivery by the Trustee of the Amount, to deliver to the Trustee certain qualified securities which, together with a contracted rate of return of 5.1539% per annum, would equal the Amount on the next semi-annual bond payment date.

5. The Agreement contains certain events of default applicable to Lehman which actually occurred. Lehman defaulted under the Agreement by (a) failing to deliver the qualified securities it was required to deliver on the applicable semi-annual bond payment dates and (b) by becoming insolvent. DRPA, to date, has suffered actual losses in the form of guaranteed returns under the Reserve Fund Agreement of approximately \$2.1 million, which actual losses continue to mount as a result of such continuing failure. The co-financial advisors for the DRPA have

estimated that, by virtue of such defaults, the Termination Amount as defined and determined pursuant to the Reserve Fund Agreement on the date Lehman first failed to perform under the Reserve Fund Agreement was \$3.5 million

WHEREFORE, for the reasons set forth herein, DRPA requests that the Court deny the Omnibus Objection with respect to the subject Claim and provide DRPA with all further relief as is just and proper.

Dated: New York, New York
May 24, 2012

BLANK ROME LLP

By: /s/ Andrew B. Eckstein

Andrew B. Eckstein
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: 212-885-5000
Facsimile: 212-885-5001

Attorneys for Delaware River Port Authority